In the light of recent developments relating to failure of some large financial institutions in the USA and Europe representing investment banking, insurance and commercial banking segments, RBI has undertaken an assessment of the exposure of major Indian banks to these entities as on September 30, 2008. The exposures mainly consisted of investments in Floating Rate Notes, Nostro balances, bank guarantees, forex exposures, etc. The banks have made an aggregate provision of USD 47.3 million on these exposures. The banks' exposure to Lehman Brothers is USD 336 million.

(c) and (d) The Public sector banks may raise capital through various channels such as dilution of equity, issue of preference shares, issue of permissible instruments i.e. Innovative Debt Instruments, Subordinated Debt Instrument, etc., plough back of profit provision for standard assets, etc. The proposals of public sector banks for raising additional capital are considered by the Government on the merits of each case.

Opening of duty-free shops

377. SHRI ABDUL WAHAB PEEVEE: Will the Minister of FINANCE be pleased

to state:

(a) whether it is a fact that Government had revised the procedure for allotment of duty free shops at various airports in the country;

(b) if so, the details thereof;

(c) whether it is also a fact that Government had recently opened a duty free shop at the arrival lounge at Wagah Border on contract basis; and

(d) if so, what was the procedure prescribed and followed in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No Sir. The practice/ procedure for licensing of Duty Free Shops by Customs at the airports in the country has not been revised in the recent past.

(b) Not applicable in view of (a) above.

(c) Yes Sir. A Private Warehouse license under Section 58 of the Customs Act, 1962 has been granted to M/s Flemingo DFS Private Limited for opening a Duty Free shop at Wagah Border (Land Customs Station-Attari Road).

(d) The Duty Free Shops are licensed as Private Warehouse under Section 58 of the Customs Act, 1962. The approval for opening of Duty Free Shop at Wagah Border was given after getting the necessary approval from Foreign Investment Promotion Board (FIPB) and after furnishing of requisite bond with security as per prevalent instructions/ guidelines.

FDI in Insurance Sector

378. SHRI ABDUL WAHAB PEEVEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Group of Ministers (GoM) had cleared the Insurance Laws (Amendment) Bill, 2006 for raising FDI in Insurance Sector upto 49 per cent; and